

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 0 — 0 1 8

2. STATE:

Louisiana

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

February 8, 2000

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment).

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.304

7. FEDERAL BUDGET IMPACT:

a. FFY 2000 ~~\$ (1228.79)~~ (1246.85)b. FFY 2001 ~~\$ (2520.10)~~ (2557.15)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Item 12c, pp 1 & 3

p 2

p 4, 5

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Same (TN 95-19)

Same (TN 97-11)

None, new page

10. SUBJECT OF AMENDMENT: The purpose of this amendment is to reduce the rates for reimbursement
for certain items of durable medical equipment and supply items.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED: The Governor does not
review state plan material.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

David Hood by John Heston

13. TYPED NAME:

David W. Hood

14. TITLE:

Secretary

15. DATE SUBMITTED:

March 27, 2000

16. RETURN TO:

State of Louisiana
Department of Health & Hospitals
1201 Capitol Access Road
PO Box 91030
Baton Rouge, LA 70821-9030

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

March 27, 2000

18. DATE APPROVED:

June 6, 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

February 8, 2000

20. SIGNATURE OF REGIONAL OFFICIAL:

Calvin G. Cline

21. TYPED NAME:

Calvin G. Cline

22. TITLE: Associate Regional Administrator
Division of Medicaid and State Operations

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-B
Item 12c, Page 1

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1902 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM, UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

CITATION Medical and Remedial Prosthetic Devices (including artificial eyes, braces, and other
42 CFR Care and Services prosthetic devices) as well as medical appliances, equipment and
447.304 Item 12c supplies)

I. Methods of Payment - Reimbursement for durable medical equipment is determined by a dual methodology.

A. Some durable medical equipment will be reimbursed at a flat fee or according to the billed charges, whichever is the lesser amount. These are standard items which are uniform in nature.

The flat fee components of the reimbursement methodology are established:

1. utilizing 80% of the Medicare DME fee schedule or at the lowest cost at which a needed item has been determined to be widely available by analyzing usual and customary fees charged in a community

OR, if the item is not available at 80% of the Medicare fee schedule,

2. the flat fee to be utilized will be 100% of the Medicare DME fee schedule or at the lowest cost at which these items have been determined to be widely available by analyzing usual and customary fees charged in a community.

B. Wheelchairs with special features (except for wheelchairs with customized seating), breast prosthesis, prosthetic sheaths, prosthetic socks (except for single ply & wool socks), elastic support stockings, nebulizer administrative supplies, traction equipment, external

STATE	Louisiana
DATE REC'D	03-27-2000
DATE APP'D	06-06-01
DATE EFF	02-08-00
HCPA 125	LA-00-18

TN# 00-18 Approval Date 06-06-01 Effective Date 02-08-00
Supersedes
TN# 95-19

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-B
Item 12c, Page 2

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1902 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM, UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

ambulatory infusion pumps (to exclude insulin infusion pumps), patient lift slings, percussors, humidifiers, compressors (except for nebulizers with compressors), orthotics and braces and shoes and inserts, and prosthetics are reimbursed at the lesser of :

seventy percent (70%) of the Medicare Fee schedule; or

billed charges

- C. All DME items identified with HCPC codes beginning with the letter "Z"(except for enteral formulas); miscellaneous equipment items authorized with HCPC code E1399; and home health supply items and other miscellaneous supplies identified with HCPC code Z1399 are reimbursed at seventy percent (70%) of the flat fee schedule (based on 80% of Medicare rate) in effect as of February 7, 2000.

- D. Ostomy and urological supplies and wound dressings and supplies are reimbursed at the lesser of :

billed charges;

seventy percent (70%) of the Medicare Fee Schedule; or

seventy percent (70%) of the Manufacturer's Suggested Retail Price (MSRP).

- E. Enteral formulas are reimbursed at the lesser of:

billed charges; or

eighty percent (80%) of the Medicare Fee Schedule.

STATE <u>Louisiana</u>	A
DATE REC'D <u>03-27-00</u>	
DATE APP'D <u>06-06-01</u>	
DATE EFF <u>02-08-00</u>	
HCFA 179 <u>LA-00-18</u>	

TN# 0018 Approval Date 06-06-01 Effective Date 02-08-00
Supersedes
TN# 97-11

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-B
Item 12c, Page 3

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1902 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM, UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

- F. Tracheostomy tubes and care kits are reimbursed at ninety percent (90%) of the Medicare Fee Schedule.
- G. Parenteral and enteral supplies, suction catheters, tracheostomy masks or collars, and tracheostomy cannulas are reimbursed at seventy percent (70%) of the Medicare Fee Schedule.
- H. Enteral infusion pumps, standard type wheelchairs, hospital beds, artificial eyes, commode chairs, and stationary suction machines are reimbursed at the Medicaid established flat fee amount (based on 80% of Medicare rate).
- I. Purchase of oxygen concentrators is reimbursed at eighty three percent (83%) of the flat fee amount (based on Medicare rate) in effect as of February 7, 2000. Rental of oxygen concentrators is reimbursed at eighty five percent (85%) of the flat fee amount (based on Medicare rate) in effect as of February 7, 2000. Purchase of glucometers is reimbursed at thirty percent (30%) of the flat fee amount (based on Medicare rate) in effect as of February 7, 2000.
- J. Another group of equipment is priced on an individual basis. Pricing of this equipment group is based on an item-by-item analysis due to the unique specifications of each item and the beneficiary's needs. These are items which are customized to meet the special medical needs or physical specifications of a particular individual.

STATE <u>Louisiana</u>	A
DATE REC'D <u>03-27-00</u>	
DATE APP'D <u>06-06-01</u>	
DATE EFF <u>02-08-00</u>	
HCFA 179 <u>LA-00-18</u>	

Pricing on an item-by-item basis because of unique specifications may include analysis of such factors as invoiced costs to providers, comparative prices of the providers, manufacturer's suggested retail prices for equipment or system components and negotiated rates based on an accumulation of data from private insurers

TN# 00-18 Approval Date 06-06-01 Effective Date 02-08-00
Supersedes
TN# 95-19

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1902 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM, UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

as to their allowable reimbursement for these types of equipment.

Exception: Reimbursement for customized wheelchairs shall be based on the manufacturer's suggested retail price minus twenty percent (20%) for manual custom wheelchairs and minus seventeen percent (17%) for electric custom wheelchairs.

II. Standards for Payment

- A. Receipt of certification by the physician of proper fit or verification from the beneficiary that the appliance, equipment and/or supplies have been received and are satisfactory, and
- B. Receipt of the bill from the company in an amount which is in accordance with the established reimbursement methodology.
- C. Approval is based upon the recommendation of the attending physician that the requested item is suitable for use in the home.
- D. Prior authorization is required for Durable Medical Equipment (DME) except intraocular lens implanted during a covered surgery. Authorization is made by the Prior Authorization Unit (PAU) (the extant unit of the former Medical Social Review Team).
- E. Wound care supplies and dressings, and other medically necessary supply items exclusively designated for use by the home health care agency in the performance of that service are reimbursable under the DME fee schedules.

STATE <u>Louisiana</u>	A
DATE RECD <u>03-27-00</u>	
DATE APP'D <u>06-06-01</u>	
DATE EFF <u>02-08-00</u>	
HCFA 179 <u>LA-00-18</u>	

TN# 00-18 Approval Date 06-06-01 Effective Date 02-08-00

Supersedes

TN#

SUPERSEDES: NONE . NEW PAGE

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-B
Item 12c, Page 5

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1902 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM, UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

Durable medical equipment providers must obtain prior authorization through the prior authorization process required under the Durable Medical Equipment Program in order to provide and be reimbursed for these supplies used by home health agencies in the performance of that service. These supplies are available for use only by home health agencies in providing home health care.

- F. Diapers and blue pads are not reimbursable supply items under the Durable Medical Equipment Program.
- Disposable supplies, regardless of cost, for Medicare Part B eligibles do not require prior authorization.
- G. Prior authorization requests are to be acted on as quickly as possible but no later than within twenty-five (25) days from the date the complete request is received. Emergency requests shall be orally approved or denied no later than two (2) working days from the date the request is received. Failure to meet these time frames constitutes an automatic approval of the request.

STATE <u>Louisiana</u>	A
DATE REC'D <u>03-27-00</u>	
DATE APP'D <u>06-06-01</u>	
DATE EFF <u>02-08-00</u>	
HCFA 179 <u>LA-00-18</u>	

TN# 00-18 Approval Date 06-06-01 Effective Date 02-08-00

Supersedes

RECEIVED - STATE OF LOUISIANA